

Detailed SIX YEAR OUTLOOK based on Governor Gregoire's Budget -- March 25, 2005

Dollars in Millions	2004	2005	2003-05	2006	2007	2005-07	2008	2009	2007-09
Beginning Balance General Fund-State (GF-S)+Emergency Reserve Fund (ERF)	405	500	405	619	347	619	186	(279)	186
Revenue									
Baseline (not including I-728 property tax diversion)	11,321	11,910	23,231	12,449	13,065	25,514	13,599	14,267	27,866
I-728 property tax diversion				(245)	(246)	(491)	(247)	(248)	(495)
Money Transfers, Federal Fiscal Relief, CAFR Adjustments	226	221	447	168	71	239		-	-
2005-07 Revenue Proposals									
New Revenue		1		42	77	119	32	33	65
Budget Driven Revenue				10	16	26	17	18	34
TOTAL REVENUE/RESOURCES (except beginning balance)	11,547	12,132	23,678	12,424	12,983	25,407	13,400	14,070	27,470
Expenditures									
Baseline Expenditures (Maintenance Level, less I-732 COLAs and Pension Changes)	11,452	11,794	23,246	12,326	12,622	24,949	12,765	12,898	25,663
Estimated 2005 Supplemental Budget	-	219	219	-	-	-	-	-	-
K-12 Teacher/staff and CTC COLA (I-732 formula - 1.2%, 1.7%, 1.9%, 2.2%)				41	109	150	188	282	470
Pension Contributions, including K-12 schools (increase over 2003-05)	-	-	-	(14)	(22)	(36)	305	305	610
Employee Health Insurance -11.3% total annual growth (10% per capita growth)	-	-	-	91	120	211	128	271	399
Medical Assistance -- 9.3% total annual growth (8% per capita growth)				-	-	-	147	308	455
State Employee Compensation Changes (3.2%, 1.6%, 2.0%, 2.0%) *				87	132	219	142	197	339
Other Policy Adds				165	183	348	190	217	407
TOTAL EXPENDITURES	11,452	12,013	23,465	12,696	13,144	25,840	13,865	14,478	28,343
ENDING BALANCE (GFS+ERF) - Cumulative	500	619	619	347	186	186	(279)	(687)	(687)
							5.49%	4.42%	
SUMMARY OF POTENTIAL BUDGET GAPS									
Potential GF-S Budget Surplus/Deficit (from projected ending balances)				347	186	186	(279)	(687)	(687)
Provision for GF-S Reserve							(300)	(300)	(300)
TOTAL POTENTIAL GAP							(579)	(987)	(987)

BASELINE AND OTHER ASSUMPTIONS

Assumes Gregoire March 25, 2005 proposed 2005-07 budget

Baseline for 2005-07 includes Medical Assistance Administration (MAA) expenditures. For 2007-09, MAA increment is displayed separately.

After 2005-07, baseline is increased by 1.2% annually, reflecting OFM projected growth of maintenance level, excluding pensions, COLAs, and health care (based on OFM long term model, which relies on caseload council and OFM population cohort forecasts).

Assumes March 2005 revenue forecast for 03-05 and 05-07; after 05-07, assumes 5% annual revenue growth (average long term growth)

Medical Assistance: Assumes 9.3% annual health care growth, including 8% inflation and 1.3% population growth after 2005-07.

Employee Health Insurance: Assumes 11.3% annual health care growth, including 10% inflation and 1.3% population growth after 2005-07.

Does not include Health Services Account/Basic Health Plan expenditures and revenues.

* The Second Year 1.6% COLA is assumed to be one-time, per negotiated contracts